



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

April 28, 2000

**H.R. 4251
Congressional Oversight of Nuclear Transfers to
North Korea Act of 2000**

*As ordered reported by the House Committee on International Relations
on April 13, 2000*

H.R. 4251 would require that the Congress enact a joint resolution of approval before any transfer or indirect transfer of any nuclear materials, goods, services, or technology to North Korea. Under current law, before any transfers may occur, the President must negotiate a nuclear cooperation agreement and report to the Congress a determination that North Korea has met a list of conditions under the North Korea Threat Reduction Act of 1999. H.R. 4251 would require that the Congress enact a joint resolution concurring with the Presidential determination before any transfer could proceed. Such Congressional action would have no significant effect on the federal budget. Regulating nuclear exports is performed on a cost recovery basis. The bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures not would apply.

H.R. 4251 would impose private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) on exporters of certain nuclear-related items, who would face new restrictions on the export of those items to North Korea. H.R. 4251 would also apply those restrictions to sales of items controlled under the Export Trigger List of the Nuclear Suppliers Group. Based on information provided by government and industry sources, CBO estimates that costs imposed by the mandates in the bill would not exceed the threshold established in UMRA in any of the next five years (\$109 million in 2000, adjusted annually for inflation). H.R. 4251 contains no intergovernmental mandates and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for federal costs is Joseph C. Whitehill. The staff contact for private-sector costs is Patrice Gordon. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.